

# Exhibit 266

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**Sent:** Thursday, April 19, 2018 1:51 PM  
**To:** Ripple IR  
**Subject:** Ripple Q1 2018 Investor Update

Hello everyone!

In case you were wondering where your February update was, fear not - you didn't miss it! As you may remember from my January note, I decided to move these updates to quarterly.

If Q4 2017 was the crypto-markets' "run up" quarter, Q1 2018 was the "prove it" quarter. Downward market pressure brought increased media attention to the entire blockchain and digital asset space, which drove greater curiosity from potential customers, regulators and your average person on the street.

We harnessed that attention and made significant strides in customer adoption and regulatory relations. Contrary to press headlines about the down digital asset markets, I'm more optimistic than ever about the year ahead for Ripple.

#### OUR BEST QUARTER EVER

Customer adoption continues to be priority one, two and three. In Q1, our sales team added a new production customer every week, sometimes two! We signed more production deals than any quarter in our history.

Our new customers <<https://ripple.com/insights/ripplenet-strengthens-emerging-markets-access-into-india-brazil-and-china/>> ranged from large, regional banks (like Banco Itaú in Brazil, IndusInd in India) to strategic payment providers (such as UAE Exchange<[https://ripple.com/ripple\\_press/uae-exchange-partners-ripple-instant-cross-border-payments/](https://ripple.com/ripple_press/uae-exchange-partners-ripple-instant-cross-border-payments/)> in the UAE and LianLian<<https://ripple.com/insights/lianlian-pay-joins-ripplenet-provide-faster-payments-china/>> Pay in China). The traction we're seeing with these types of customers validates our strategy to pursue challengers and innovators - they are the fast movers and early adopters.

In addition, we entered into a partnership with the Saudi Arabian Monetary Authority<<https://ripple.com/insights/ripple-and-saudi-arabian-monetary-authority-offer-pilot-program-for-saudi-banks/>> (SAMA), the central bank of Saudi Arabia. As a result, SAMA has already given its blessing to 12 regional banks to adopt our products - a big win! SAMA has now effectively set a blueprint for other central banks to follow.

We're hitting this stride in customer adoption because we've spent many quarters honing and intensely focusing our product-market fit and building a world-class team. The machine is up and running and while we no doubt have more work to do to make it well-oiled, I'm proud of how far we've come. Without question, we lead the industry in our maturity of product, customer traction and team.

But, our work with customers only just begins with signatures on a contract.

After we sign a deal, our goal is to get customers live in production as quickly as possible, and then to increase their payments volume over time. Volume really translates to making our customers' customers happy.

For example, [REDACTED] a large Swedish bank, crossed \$1B processed on behalf of just one corporate customer over RippleNet this quarter. That corporate customer likes that their payments now settle in real time and that they can send them 24/7.

As another example, [REDACTED] serves Thai expatriates who work in Japan and send money home to their loved ones. Because these payments are now faster and more reliable, [REDACTED] customers are sending more payments.

By improving the customer experience with our products, financial institutions are increasing usage of their payments services - that's good news for our customers!

#### XRAPID - WE HAVE LIFT OFF

It's been a bit more than six months since we introduced the beta version of xRapid, our product that enables institutions to easily source on-demand liquidity using XRP for their payment flows (making it the first enterprise production use case for a digital asset). Already, we are starting to see the fruits of our labor.

In Q1, we signed seven new xRapid pilot customers. These pilot customers include Western Union<<http://fortune.com/2018/02/14/ripple-xrp-western-union-money-transfers/>>, Cambridge Global Payments<<https://ripple.com/insights/cambridge-use-xrp-faster-global-payments/>>, MercuryFX and IDT<<http://www.businessinsider.com/ripple-cryptocurrency-xrp-adds-2-financial-services-firms-client-roster-2018-1>>. They join [REDACTED] and MoneyGram, who we signed to pilots in Q4 2017.

The pilots, which are live transactions, have shown that xRapid can lower liquidity costs, dramatically increase payment speed and transparency, and decrease foreign exchange exposure. Early pilots have been so successful, customers are pushing to move to production - and seeking for us to more aggressively expand into more corridors!

If we can offer our customers a better product than what they use today with lower costs, why wouldn't they use it?

#### DOWN BUT NOT OUT - MARKETS FALL

I'm excited by this early customer feedback about the very real value xRapid brings to their businesses. To scale usage globally, XRP needs to be highly liquid against many different currencies. To that end, let's look at how the XRP markets fared in Q1.

I won't mince words. The quarter was rough. The entire crypto market, including XRP, was down over 70 percent. There appear to be many reasons for the drop. After the bull run in Q4 2017 and the increasingly questionable practices by initial coin offerings (ICOs), regulators ramped up their attention on digital assets. Headlines included:

- \* January 22: South Korea bans cryptocurrency traders from using anonymous bank accounts
- \* January 30: The CFTC subpoenas crypto exchange Bitfinex and Tether (a "stable" crypto tied to the U.S. dollar)
- \* January 31: South Korean minister says they won't ban all crypto trading
- \* February 5: China finalizes its blockade of foreign crypto exchanges
- \* February 6: The U.S. Senate holds crypto hearings
- \* March 7: Japan further cracks down on exchanges operating without proper licenses
- \* March 17: World leaders meet at the G20 and discuss cryptocurrencies

Given the adolescent stage of the markets, we should expect to see jitters with regulatory news. But as regulation takes shape globally, the legitimate businesses and projects will prosper and the scams and frauds will fade into the background. I view this as great news for Ripple and for XRP.

#### REGULATION - TRENDING POSITIVE

Intensified regulatory interest in digital assets created doom and gloom headlines, but the regulatory outlook by the quarter's end was much sunnier.

Concerns over consumer risk and money laundering spurred calls for a broad crackdown on digital assets. China banned crypto trading. Japan and South Korea raised concerns over financial stability. France and Germany called for the G20 to take a tough stance against digital assets. And to top it all off, Agustin Carstens, general manager of the Bank for International Settlements, called<<https://www.reuters.com/article/cryptocurrency-markets-bis/central-banks-must-act-against-ponzi-scheme-cryptocurrencies-bis-head-idUSL8N1PV5KS>> digital assets "parasites" and "ponzi schemes." Ouch!

Knowing and appreciating the important role regulators will play shaping the future of our industry, we work ongoing to build trust and credibility with regulators around the world and have held a consistent and constructive position on regulation<<http://thehill.com/opinion/technology/372971-banning-cryptocurrency-would-be-as-sensible-as-banning-the-internet>>.

In Q1, we hosted nearly 30 government briefings globally, including meetings with the European Commission, U.S. Senate and House leadership, and several Treasury ministries.

We support regulators protecting consumers and applaud them for reining in the worst of the worst, but we believe they should regulate the space based on use case instead of taking a blanket approach. In our meetings, we highlighted emerging enterprise use cases (e.g. XRP as a liquidity tool), which caused regulators to see positive potential.

Global coordination may take time, and we expect some countries will resist, but we're optimistic regulation will protect consumers while enabling constructive innovation in our space.

#### REMAINING FOCUSED

It seems like everywhere I go people want to know what keeps me up at night - they (incorrectly) assume it's the price of XRP.

I am excited about what 2018 has in store. We will continue to sign xRapid customers and advance them from pilot to production throughout the year. That's why I don't spend much time focusing on the price of XRP over the course of three days or three months, but rather on XRP's utility and liquidity in three to five years.

So what keeps me up at night? Creating happy customers. And we create happy customers by solving real problems for them. If our network stalls, we stall. We have to earn their business every single day. The great news is we have the team and the resources to do just that.

Our focus in 2018 and in years to come will be the same: Sign. Service. Repeat.

Drop me (and / or Team IR, cc'd here) a note with any thoughts or questions.

All the best,

Brad